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**UNITED  
CORPORATIONS  
LIMITED**

Annual Report 1975





# UNITED CORPORATIONS LIMITED

Incorporated under the Laws of Canada

## DIRECTORS

IAN A. BARCLAY  
Vancouver

G. DRUMMOND BIRKS  
Montreal

JAMES V. EMORY  
Montreal

JOCK K. FINLAYSON  
Montreal

CHARLES L. GUNDY  
Toronto

KENNETH S. HOWARD, Q.C.  
Montreal

HENRY N. R. JACKMAN  
Toronto

CLIFFORD S. MALONE  
Montreal

IAN S. STEERS  
London, England

ALAN E. TARR  
Winnipeg

ISABEL WATERHOUSE  
Montreal

## Head Office

800 Dorchester Blvd. West  
Montreal, Que. H3B 1X9

## Shares Listed

Class "A", 1959 Series Preferred and Class "B" shares are listed on the London, England, Montreal and Toronto Stock Exchanges. 1963 Series Preferred shares are listed on the Montreal and Toronto Stock Exchanges.

## Auditors

Price Waterhouse & Co.

## Transfer Agent

Montreal Trust Company.  
Shares transferable at Montreal, Toronto, Halifax, Winnipeg, Regina, Calgary and Vancouver.

## Registrar

The Royal Trust Company.

## OFFICERS

J. V. EMORY  
President

C. L. GUNDY  
Vice-President

M. H. SIEGERMAN  
Assistant to the President

R. A. M. SMITH, C.A.  
Secretary and Treasurer

EVELYN CLAYTON  
Assistant-Secretary

P. A. SMALLMAN  
Assistant-Treasurer



## TO THE SHAREHOLDERS

Your Directors take pleasure in presenting the 43rd Annual Report of your Company for the year ended March 31, 1975.

The developing problems referred to in last year's Annual Report became increasingly obvious as 1974 progressed to the point where it would be no exaggeration to say that never in the post-war years have so many uncertainties, economic and political, national and international, buffeted world financial markets. Indeed, it is generally agreed that 1974 was the worst year of the post-war era for most of the stock markets of the world and that, with respect to North American markets, even the very sizeable declines in the most widely followed market indices failed to show the damage inflicted on the great majority of individual stock prices.

However, it became noticeable during the last quarter of 1974 that stock markets all over the world were showing increasing buoyancy despite the fact that the many uncertainties in the outlook had become obvious to the point of receiving front-page attention in the news media. While there was no denying the seriousness of those problems, it was also a fact that markets had by that time spent many months discounting them and that frequently in the past this discounting process has been largely completed by the time the underlying reason for it has become easily apparent. The rise in the stock market during the first quarter of 1975, which was one of the sharpest on record, indicates that the obvious problems facing us had, in all probability, been discounted by the end of last year so that the present risk lies in the possibility of unexpected adverse developments which might interrupt the rebirth of confidence which is now in an early stage of development.

As we move into our new fiscal year we are still in uncertain times and uncertainty in the outlook tends to produce a high degree of volatility in financial markets. As a consequence, economic and stock market forecasts are even more hazardous than usual. On balance, however, we incline to the view that the odds now favour a period of generally rising markets interrupted, as such markets always are, by reactions of comparatively minor, though possibly abrupt, proportions. The extent and duration of the rise will depend, to a considerable degree, on

whether inflation can be brought under better control during the next economic expansion.

### Statements of Net Assets and Changes in Net Assets (pages 4 and 6)

Our month-end net equity values per Class "B" Share during the year reflected the volatility of the market, declining from the March 31, 1974, figure of \$21.23 to a low of \$15.17 at the end of September and then moving back up to \$18.14 as of March 31, 1975, the end of our fiscal year. As of that date, total net assets stood at \$71,674,185, as compared to \$82,457,336 at the end of the previous year, after full provision for taxes and payment of dividends on all classes of shares totalling \$2,770,598.

After allowance for the respective redemption prices of the outstanding Class "A" and First Preferred Shares, the net equity value behind each of the three classes of shares was:-

Class "A"	
Shares	— \$71,674,185 or \$1,372.09 per share
First Preferred	
Shares	— \$70,107,075 or \$ 350.53 per share
Class "B"	
Share	— \$63,927,510 or \$ 18.14 per share

### Statements of Net Income and Surplus (see page 5)

Income from interest and dividends totalled \$3,504,110, well ahead of last year's figure of \$2,646,318 and a new record for any twelve month period in the history of your Company. Operating expenses, at \$256,619 compared to \$270,578 last year, and management fees, which decreased to \$175,000 from \$183,500, were both at the lowest level for any twelve-month fiscal period since 1968. Net after-tax income reached a new high of \$3,169,046 as against the previous high of \$2,374,441 last year.

After provision of \$378,355 for dividends on the Class "A" and First Preferred Shares, net income available for the Class "B" Shares was \$2,790,691 or 79.3¢ per Class "B" Share, also a new high and a gain of almost 40% over the previous high of \$1,996,086 or 56.7¢ per share set only a year ago.

Class "B" dividends declared and paid out of income during the year increased substantially to \$2,392,243



from \$1,829,086. Net income available for the Class "B" Shares exceeded dividends declared on those shares by \$398,448 which, when added to accumulated net income at the beginning of the year of \$626,259, brought the year-end figure for accumulated net income to \$1,024,707.

Sales of investments during the year resulted in net realized investment gains of \$848,082, on which no capital gains tax was payable. In fact, we were able to recapture \$145,384 of refundable capital gains tax previously paid, so that net realized investment gains resulting from the year's operations totalled \$993,466. A reduction of \$160,000 in the value of our investment in International Capital Corporation reduced this total to \$833,466 which, when added to accumulated net realized investment gains of \$57,089,822 at the beginning of the year, brought the year-end total to \$57,923,288.

Combining the year-end figures for accumulated net income and accumulated net realized investment gains produced an overall surplus of \$58,947,995, up from \$57,716,081 at the end of the previous year. However, this increase of \$1,231,914 in surplus was considerably more than offset by a reduction of \$12,061,890 in unrealized appreciation in value of investments resulting from the unfavourable stock market conditions during the year.

### **Dividends**

Regular dividends at the annual rate of \$1.50 per share were declared and paid on the Class "A" and First Preferred Shares during the year.

The increase in net income previously referred to resulted in a sizeable increase in dividends on the Class "B" Shares declared and paid out of income during the year. These reached a new high by a considerable margin, totalling 68¢ per Class "B" Share compared to last year's previous all-time high of 52¢ per share, and were declared as follows:-

April, 1974	— regular 12¢ per share
July, 1974	— regular 14¢ per share
October, 1974	— regular 14¢ plus extra 4¢ per share
January, 1975	— regular 16¢ plus extra 8¢ per share

It is worth noting that the regular quarterly dividend rate was increased twice during the year to its

present level of 16¢ per share which produces a regular annual dividend rate of 64¢ per share.

### **Portfolio and Investment Policy**

The detailed portfolio of investments held by your Company as of March 31, 1975, is set out on pages 7 to 9 inclusive of this report and the distribution of investments, together with summary balance sheets as of the end of the last six fiscal periods showing changes in portfolio weightings is on page 11. These reflect the move towards a somewhat more aggressive investment policy taken early in 1975.

### **Record of Asset Valuations, Income and Dividends**

As usual, there appears on page 12 a record of your Company's progress since its inception in 1933. Since the end of 1967 net equity value per Class "B" Share, when taken by itself, has become increasingly less meaningful as a measure of our investment results. Special dividends totalling \$1.40 per Class "B" Share were paid in the years 1968 to 1971 under the old Income Tax Act and a total of 50¢ has been paid out of taxable capital gains under the revised Act since the beginning of 1972. Such distributions, together with the ebb and flow of refundable capital gains taxes as realized capital gains and losses are incurred, have caused sizeable distortions in our record of net equity values and these distortions are almost certain to increase as time goes by.

### **Subsidiary and Associated Companies**

Our wholly owned subsidiary, United Bond & Share Limited, acts as the management company for all of our operations, including the provision of investment management services on a fee basis.

This subsidiary had a reasonably successful year although income from management fees, which are based on assets under management, suffered from the depreciation in those assets resulting from depressed market conditions. Despite this, it was able to absorb a larger proportion of our total management expenses with a consequent further reduction in the share borne by United. As has already been noted, this resulted in the latter's management expenses for the year being the lowest of any twelve-month fiscal period since 1968 despite the strong inflationary trend during the intervening years.



Particularly noteworthy was the further expansion of the RoyFund operation made up of two mutual funds, RoyFund Ltd., which is equity-oriented, and RoyFund Income Trust, which is, as its name suggests, income-oriented with a portfolio consisting of mortgages and high-yielding fixed income securities. Both funds are managed by United Bond & Share and distributed through the branches of The Royal Bank of Canada. Depressed market conditions reduced the market value of the equity fund's portfolio during the year with the result that total assets fell somewhat despite a continued sizeable inflow of new money. On the other hand, the assets of the income fund grew substantially. On a combined basis the assets of the two funds as of May 31, 1975 had reached \$91.1 million as compared to \$74.5 million a year earlier. RoyFund now appears to be firmly established as one of the fastest growing operations of its kind in Canada.

The Interior Trust Company, owned equally by The Royal Bank of Canada and United Bond & Share, remained inactive during the year insofar as the usual operations of a trust company are concerned. However, it continues to operate an investment program of its own and, in addition, owns 50% of the voting shares of RoyMor Ltd. with the other half owned by The Royal Bank of Canada. The business of RoyMor Ltd. is to purchase mortgages from the bank which the latter has originated and processed. It has had an outstanding record of growth which it is anticipated will be maintained into the indefinite future.

As was anticipated in last year's Annual Report, International Capital Corporation Ltd., which is jointly owned by The Royal Bank of Canada, IAC Limited

and United, is in the process of winding down its merchant banking operations and is now carried on our books at a value of \$366,400 after a return of capital of \$113,600 and a write-down of \$160,000 to reduce our remaining investment to a conservative estimate of its realizable value.

### **Directors and Officers**

In October, 1974, C. S. Malone of Montreal was appointed a Director to fill the vacancy created by the untimely death of T. N. Beaupré in March of that year.

July, 1975, will mark the formal retirement of Isabel Waterhouse after thirty-six years of distinguished service to your Company. Miss Waterhouse joined United in 1939, was appointed an Officer in 1954 and was elected a Director in 1973. Her years with the Company saw the net equity of our Class "B" Shares grow from \$4.5 million to the present level of \$63.9 million together with the sizeable growth of other assets under management which followed the formation of United Bond & Share in 1959. Through it all she demonstrated an untiring devotion to the affairs of the Company which will be greatly missed by her fellow Officers and Directors in the years to come. We are sure that shareholders would wish to join in wishing her many years of happy retirement.

On behalf of the Directors,

J. V. Emory  
President

June 12th, 1975.

# UNITED CORPORATIONS LIMITED

## STATEMENT OF NET ASSETS

March 31

### Assets:

	1975	1974
Portfolio investments, at market value (average cost — 1975 \$64,009,346; 1974 \$58,076,953)	\$64,272,513	\$70,402,010
Other investments (Note 1)	1,831,305	2,071,071
	<u>66,103,818</u>	<u>72,473,081</u>
Cash and other assets —		
Cash and temporary cash investments	5,383,296	10,020,919
Accrued income on investments	324,436	211,467
Accounts receivable	—	19,105
Income taxes recoverable	160,575	—
	<u>5,868,307</u>	<u>10,251,491</u>
<b>TOTAL ASSETS</b>	<u><b>71,972,125</b></u>	<u><b>82,724,572</b></u>

### Liabilities:

Income taxes	—	249,431
Other accounts payable	37,966	17,805
Due to brokers	259,974	—
	<u>297,940</u>	<u>267,236</u>
<b>NET ASSETS</b>	<u><b>\$71,674,185</b></u>	<u><b>\$82,457,336</b></u>

### Shareholders' Equity

#### Capital stock (Notes 4 and 5):

##### Authorized —

52,237 Class "A" shares  
200,000 First preferred shares  
48,617,302 Second preferred shares  
6,000,000 Class "B" shares

##### Issued —

Class "A"	First preferred	Class "B"			
52,237	—	2,877,480	for a consideration of	\$ 119,384	\$ 119,384
—	200,000	—	" " " "	6,000,000	6,000,000
—	—	644,993	" " " "	6,343,639	6,296,814
<u>52,237</u>	<u>200,000</u>	<u>3,522,473</u>		<u>12,463,023</u>	<u>12,416,198</u>
Surplus				58,947,995	57,716,081
Unrealized appreciation in value of investments				263,167	12,325,057
				<u>59,211,162</u>	<u>70,041,138</u>
				<u><b>\$71,674,185</b></u>	<u><b>\$82,457,336</b></u>

APPROVED BY THE BOARD:

K. S. HOWARD, Director

J. V. EMORY, Director



# STATEMENT OF NET INCOME

Year ended March 31

## INCOME —

Dividends and interest . . . . .

## EXPENSES —

Management fee . . . . .

Directors' remuneration . . . . .

Fees and expenses of trustee, registrar  
and transfer agents . . . . .

Taxes other than income taxes . . . . .

Legal and audit fees . . . . .

Office and miscellaneous expenses . . . . .

Income before income taxes . . . . .

## INCOME TAXES —

Foreign withholding taxes . . . . .

Provision for Canadian taxes . . . . .

Equity in net income of subsidiary . . . . .

Net income . . . . .

Net income per Class "B" share based on the average  
number of shares outstanding during the year . . .

1975

1974

\$ 3,504,110

\$ 2,646,318

175,000

183,500

25,600

21,900

24,611

31,693

1,565

1,947

14,100

9,800

15,743

21,738

256,619

270,578

3,247,491

2,375,740

49,279

4,707

63,000

60,000

112,279

64,707

3,135,212

2,311,033

33,834

63,408

\$ 3,169,046

\$ 2,374,441

79.3¢

56.7¢

1975

1974

Undistributed net income, beginning of year . . . . .

Net income above . . . . .

## Dividends:

Class "A" shares . . . . .

First preferred shares . . . . .

Class "B" shares (per share 1975 — 68¢; 1974 — 52¢)

Undistributed net income, end of year . . . . .

Accumulated net realized investment gains,  
beginning of year . . . . .

Net gain on sale of investments (Note 2) . . . . .

Amount applied to reduce investment to  
realizable value . . . . .

Income tax recovery (expense) resulting from  
sale of investments (Note 3) . . . . .

Accumulated net realized investment gains,  
end of year . . . . .

Surplus, end of year . . . . .

\$ 626,259

\$ 459,259

3,169,046

2,374,441

3,795,305

2,833,700

78,355

78,355

300,000

300,000

2,392,243

1,829,086

2,770,598

2,207,441

1,024,707

626,259

57,089,822

54,778,873

848,082

2,503,428

(160,000)

—

57,777,904

57,282,301

145,384

(192,479)

57,923,288

57,089,822

\$58,947,995

\$57,716,081

# STATEMENT OF SURPLUS

Year ended March 31

# UNITED CORPORATIONS LIMITED

## STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	<u>1975</u>	<u>1974</u>
Net assets, beginning of year . . . . .	\$82,457,336	\$83,758,227
Add (deduct) changes during year —		
Net income . . . . .	3,169,046	2,374,441
Net gain on sale of investments (Note 2) . . . . .	848,082	2,503,428
Decrease in unrealized appreciation in value of investments . . . . .	(12,061,890)	(3,778,840)
Dividends . . . . .	(2,770,598)	(2,207,441)
Income tax recovery (expense) resulting from sale of investments . . . . .	145,384	(192,479)
Amount applied to reduce investment to realizable value . . . . .	(160,000)	—
Proceeds from issue from Class "B" shares . . . . .	46,825	—
Net assets, end of year . . . . .	71,674,185	82,457,336
Redemption value of Class "A" and first preferred shares . . . . .	7,746,675	7,746,675
Net assets, applicable to Class "B" shares . . . . .	<u>\$63,927,510</u>	<u>\$74,710,661</u>
Number of Class "B" shares outstanding at end of year	<u>3,522,473</u>	<u>3,517,473</u>
Net asset value per Class "B" share . . . . .	<u>\$18.14</u>	<u>\$21.23</u>

## STATEMENT OF UNREALIZED APPRECIATION IN VALUE OF INVESTMENTS

Year ended March 31

	<u>1975</u>	<u>1974</u>
Balance, beginning of year . . . . .	\$12,325,057	\$16,103,897
Decrease during year . . . . .	(12,061,890)	(3,778,840)
Balance, end of year . . . . .	<u>\$ 263,167</u>	<u>\$12,325,057</u>



## STATEMENT OF INVESTMENTS AS AT MARCH 31, 1975

No. of Shares or par value		Average cost	Market value	% of net Assets
<b>Banks</b>				
50,000	Bank of Montreal . . . . .	\$ 843,500	\$ 725,000	
40,450	The Bank of Nova Scotia . . . . .	1,481,721	1,643,281	
79,000	Canadian Imperial Bank of Commerce . . . . .	1,223,734	1,984,875	
52,500	The Mercantile Bank of Canada . . . . .	1,001,801	951,562	
52,500	The Mercantile Bank of Canada — Rights . . . . .	—	82,950	
99,000	The Royal Bank of Canada . . . . .	1,676,700	2,994,750	
45,724	The Toronto-Dominion Bank . . . . .	1,607,299	1,823,245	
		<u>7,834,755</u>	<u>10,205,663</u>	14.24
<b>Distilling</b>				
26,900	Hiram Walker-Gooderham & Worts Limited Class "A" . . . . .	1,396,342	1,069,275	
28,400	The Seagram Company Ltd. . . . .	1,053,004	859,100	
		<u>2,449,346</u>	<u>1,928,375</u>	2.69
<b>Brewers</b>				
30,000	John Labatt Limited Class "A" . . . . .	677,830	547,500	
21,500	The Molson Companies Limited Class "A" . . . . .	554,632	384,313	
		<u>1,232,462</u>	<u>931,813</u>	1.30
<b>Chemical</b>				
10,000	Canadian Industries Limited . . . . .	209,109	175,000	
5,800	Union Carbide Canada Limited . . . . .	113,677	114,550	
		<u>322,786</u>	<u>289,550</u>	.40
<b>Communications</b>				
5,700	Quebecor Inc. . . . .	93,021	38,475	
41,325	Toronto Star Ltd. Class "B" . . . . .	523,726	526,894	
		<u>616,747</u>	<u>565,369</u>	.79
<b>Construction &amp; Materials</b>				
42,300	Canada Cement Lafarge Ltd. . . . .	160,317	502,312	.70
<b>Food Processing</b>				
60,000	Burns Foods Limited . . . . .	837,032	667,500	.93
<b>General Manufacturing</b>				
100,000	Canadian Marconi Company . . . . .	495,454	335,000	
10,000	I.T.L. Industries Limited 6½% Conv. Pfd. Series "B" . . . . .	250,000	103,750	
33,500	Sklar Manufacturing Limited . . . . .	230,480	97,988	
		<u>975,934</u>	<u>536,738</u>	.75
<b>Asbestos</b>				
44,400	Asbestos Corporation Limited . . . . .	940,429	699,300	.98
<b>Coal</b>				
9,000	McIntyre Mines Limited . . . . .	361,330	398,250	.56
<b>Copper</b>				
44,700	Kerr Addison Mines Limited Class "A" . . . . .	579,730	547,575	
43,100	Noranda Mines Limited Class A . . . . .	1,543,842	1,416,912	
		<u>2,123,572</u>	<u>1,964,487</u>	2.74
<b>Nickel</b>				
16,900	Falconbridge Nickel Mines Limited . . . . .	545,151	540,800	
32,500	Great Lakes Nickel Limited . . . . .	239,687	20,475	
52,322	Great Lakes Nickel Limited Options . . . . .	1,207	7,848	
65,000	The International Nickel Company of Canada, Limited Class "A" . . . . .	2,176,830	1,633,125	
		<u>2,962,875</u>	<u>2,202,248</u>	3.07



# UNITED CORPORATIONS LIMITED

## STATEMENT OF INVESTMENTS (Cont'd)

No. of Shares or par value		Average cost	Market value	% of net Assets
<b>Uranium</b>				
64,200	Rio Algom Mines Limited . . . . .	\$ 2,057,708	\$ 1,412,400	1.97
<b>Zinc</b>				
43,700	Cominco Ltd. . . . .	1,351,237	1,256,375	1.75
<b>Specialty Retailers</b>				
7,400	Canadian Tire Corporation Limited Class "A" . . . . .	353,233	314,500	.44
<b>Food Retailing</b>				
35,350	Dominion Stores Limited . . . . .	603,665	649,556	
25,000	Steinberg's Limited Class "A" . . . . .	479,750	475,000	
		1,083,415	1,124,556	1.57
<b>Oil &amp; Gas</b>				
85,000	Alberta Eastern Gas Limited . . . . .	879,958	552,500	
11,000	Continental Oil Company (Del.) . . . . .	478,195	498,960	
11,800	Gulf Oil Canada Limited . . . . .	272,344	351,050	
24,000	Gulf Oil Corporation . . . . .	503,865	469,200	
35,000	Husky Oil Ltd. . . . .	998,860	533,750	
25,500	Imperial Oil Limited Class "A" . . . . .	646,192	637,500	
18,000	The Louisiana Land and Exploration Company . . . . .	506,194	426,240	
14,000	Marathon Oil Company . . . . .	496,362	457,800	
20,800	Pacific Petroleum Ltd. . . . .	383,555	379,600	
71,100	Shell Canada Limited Class "A" . . . . .	893,114	1,075,387	
900	Texaco Canada Limited . . . . .	54,019	28,800	
		6,112,658	5,410,787	7.55
<b>Paper &amp; Forest Products</b>				
45,500	Abitibi Paper Company Ltd. . . . .	537,584	443,625	
12,000	Consolidated-Bathurst Limited . . . . .	176,280	277,500	
4,800	Domtar Limited . . . . .	125,293	94,800	
25,500	MacMillan Bloedel Limited . . . . .	686,954	599,250	
		1,526,111	1,415,175	1.98
<b>Transmission — Gas</b>				
79,000	The Alberta Gas Trunk Line Company Limited Class "A" . . . . .	754,425	987,500	
111,600	TransCanada PipeLines Limited . . . . .	1,304,976	1,185,750	
61,600	Westcoast Transmission Company Limited . . . . .	1,345,898	1,347,500	
		3,405,299	3,520,750	4.91
<b>Real Estate</b>				
29,000	Alliance Building Corporation Limited . . . . .	303,630	134,850	
46,000	The Cadillac Fairview Corporation Limited . . . . .	557,588	586,500	
28,000	S. B. McLaughlin Associates Limited . . . . .	584,267	280,000	
49,900	Trizec Corporation Ltd. . . . .	805,386	898,200	
		2,250,871	1,899,550	2.65
<b>Steel</b>				
29,100	The Algoma Steel Corporation, Limited . . . . .	608,313	789,337	
63,600	Dominion Foundries and Steel, Limited . . . . .	1,644,385	1,526,400	
51,000	The Steel Company of Canada, Limited Class "A" . . . . .	1,440,945	1,408,875	
		3,693,643	3,724,612	5.20
<b>Trust Companies</b>				
26,900	The Royal Trust Company Class "A" . . . . .	651,656	632,150	.88
<b>Finance Companies</b>				
70,000	Financial Collection Agencies Ltd. . . . .	838,530	116,900	.16



## STATEMENT OF INVESTMENTS (Cont'd)

No. of Shares or par value		Average cost	Market value	% of net Assets
<b>Utilities — Electric</b>				
38,050	Calgary Power Ltd. . . . .	\$ 851,986	\$ 932,225	1.30
<b>Utilities — Gas</b>				
72,900	The Consumers' Gas Company . . . . .	1,216,446	1,066,163	
22,700	Northern and Central Gas Corporation Limited . . . . .	256,394	232,675	
		<u>1,472,840</u>	<u>1,298,838</u>	1.81
<b>Utilities — Telephone</b>				
80,142	Bell Canada . . . . .	3,532,294	3,796,727	
67,500	British Columbia Telephone Company . . . . .	667,561	734,063	
		<u>4,199,855</u>	<u>4,530,790</u>	6.32
<b>Tobacco</b>				
14,700	Imasco Limited Class "A" . . . . .	444,573	437,325	
30,100	Rothmans of Pall Mall Canada Limited 6% % Conv. Second Pfd. (\$20 par) . . . . .	430,770	436,450	
		<u>875,343</u>	<u>873,775</u>	1.22
<b>Miscellaneous</b>				
66,500	Consumers Glass Company Limited . . . . .	565,414	914,375	
8,000	Crown Life Insurance Company . . . . .	358,185	440,000	
30,000	Genstar Limited . . . . .	551,161	510,000	
16,000	Great-West Life Assurance Company . . . . .	1,015,356	992,000	
20,000	Okanagan Helicopters Limited . . . . .	294,043	130,000	
14,100	Reed Shaw Osler Limited Class "A" . . . . .	162,150	98,700	
25,000	Systems Dimensions Limited . . . . .	273,417	101,250	
\$350,000	Systems Dimensions Limited 5% Conv. 1989 . . . . .	410,000	224,000	
		<u>3,629,726</u>	<u>3,410,325</u>	4.76
<b>Gold</b>				
30,500	Blyvooruitzicht Gold Mining Co. Ltd. . . . .	363,376	415,563	
16,600	Buffelsfontein Gold Mining Co. Ltd. . . . .	606,452	462,725	
32,900	Camflo Mines Limited . . . . .	506,532	464,712	
5,000	Campbell Red Lake Mines Limited . . . . .	171,764	167,250	
77,050	Dome Mines Limited . . . . .	2,656,440	4,209,242	
33,000	Doornfontein Gold Mining Co. Ltd. . . . .	486,090	602,250	
46,300	Pamour Porcupine Mines Limited . . . . .	399,515	416,700	
19,600	Sigma Mines (Quebec) Limited . . . . .	470,988	607,600	
14,000	Vaal Reefs Exploration & Mining Co. Ltd. . . . .	603,400	609,000	
6,000	Western Deep Levels, Ltd. . . . .	152,056	171,000	
	Bullion — 19,056.849 ounces . . . . .	2,421,037	3,381,158	
		<u>8,837,650</u>	<u>11,507,200</u>	16.06
<b>Total portfolio investments . . . . .</b>		<b>\$64,009,346</b>	<b>\$64,272,513</b>	<b>89.68%</b>
<b>Cash and other assets — net . . . . .</b>		<b>5,570,367</b>	<b>5,570,367</b>	<b>7.76</b>
<b>Total portfolio investments and cash . . . . .</b>		<b>\$69,579,713</b>	<b>\$69,842,880</b>	<b>97.44%</b>
<b>Other investments (Note 1) . . . . .</b>		<b>1,831,305</b>	<b>1,831,305</b>	<b>2.56</b>
<b>Net assets . . . . .</b>		<b>\$71,411,018</b>	<b>\$71,674,185</b>	<b>100.00%</b>



## NOTES TO FINANCIAL STATEMENTS

March 31, 1975

	1975	1974
1. Other investments consist of the following:		
Shares in and advances to subsidiary, United Bond & Share Limited, at cost		
plus equity in accumulated earnings . . . . .	\$ 1,464,905	\$ 1,431,071
Shares in International Capital Corporation Ltd., at cost less \$160,000 to reduce investment to realizable value . . . . .	366,400	640,000
	<u>\$ 1,831,305</u>	<u>\$ 2,071,071</u>

The investment in the subsidiary is not consolidated because it is not significant.

	1975	1974
2. The following summarizes the net gain from securities sold:		
Proceeds from sales of investments . . . . .	\$ 22,617,195	\$ 47,977,447
Investments at average cost, beginning of year . . . . .	58,076,953	64,958,503
Cost of investments purchased . . . . .	27,701,506	38,592,469
	<u>85,778,459</u>	<u>103,550,972</u>
Investments at average cost, end of year . . . . .	64,009,346	58,076,953
Cost of investments sold . . . . .	21,769,113	45,474,019
Net gain on investments sold . . . . .	<u>\$ 848,082</u>	<u>\$ 2,503,428</u>

3. Net capital loss for tax purposes for the year ended March 31, 1975 amounted to \$748,375. This amount will be carried back against the taxable capital gain of 1974. The resulting tax recovery of \$145,384 has been credited to surplus in the current year.

4. Class "A" shares, without nominal or par value, are preferred as to cumulative dividends of \$1.50 per share per annum, and as to assets on winding up to the extent of \$30 per share plus accrued and unpaid dividends.

The 5% cumulative redeemable first preferred shares of the par value of \$30 per share are preferred over the 3% non-cumulative redeemable second preferred shares and the Class "B" shares as to cumulative dividends and as to repayment of capital, accrued dividends and specified premiums on winding up, but are subject and subordinate to the Class "A" shares of the corporation. The first series of these preferred shares consists of 80,290 5% cumulative redeemable first preferred shares, 1959 series, redeemable (on not less than 30 days' notice) and repayable on winding up at par plus accrued dividends. The second series consists of 119,710 5% cumulative redeemable first preferred shares, 1963 series, redeemable (on not less than 30 days' notice) and repayable on winding up at \$31.50 plus accrued dividends.

The 3% non-cumulative redeemable second preferred shares of the par value of 5 cents per share are subject and subordinate to the Class "A" and the first preferred shares as to payment of dividends and repayment of capital. There are, at present, no second preferred shares issued or outstanding.

The Class "B" shares are without nominal or par value.

5. In accordance with the provisions of the employees' stock option plan as amended, options to purchase 45,000 Class "B" shares are outstanding and 66,920 Class "B" shares are reserved for further options. The options outstanding are exercisable at an average price of \$13.59.

During the year ended March 31, 1975 options were exercised for 5,000 Class "B" shares which were issued for an aggregate cash consideration of \$46,825. Options for 10,000 shares expired during the year and were transferred to the shares reserved for future options.

6. Total remuneration paid or payable to directors and officers was as follows:

	1975	1974
Directors . . . . .	\$ 25,600	\$ 21,900
Officers . . . . .	246,475	211,500
Number of directors . . . . .	11	10
Number of officers . . . . .	7	8
Number of officers who are also directors . . . . .	2	3

Officers are remunerated by United Bond & Share Limited, and the management fee charged to the Company reflects a proportionate amount of such remuneration.

## AUDITORS' REPORT

### To the Shareholders of United Corporations Limited:

We have examined the financial statements of United Corporations Limited for the year ended March 31, 1975 which appear on pages 4 to 10 inclusive. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position and investments of the Corporation as at March 31, 1975 and the results of its operations, the changes in its net assets and the unrealized appreciation in value of its investments for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.  
Chartered Accountants

Montreal, May 2, 1975



## SUMMARY BALANCE SHEETS (all investments at market)

Portfolio —	1975 March 31st	1974 March 31st	1973 March 31st	1972 Dec. 31st	1971 Dec. 31st	1970 Dec. 31st
Cash, etc., Bullion, Short Term						
Notes & Bonds . . . . .	\$ 9,249,465	\$13,947,145	\$ 5,471,031	\$ 4,408,387	\$ 5,079,205	\$ 5,351,220
Less: Liabilities . . . . .	297,940	267,236	1,975,491	191,990	377,661	54,920
Quick Reserves . . . . .	8,951,525	13,679,909	3,495,540	4,216,397	4,701,544	5,296,300
Preferred Stocks . . . . .	—	—	—	—	593,312	854,775
Total Reserves . . . . .	8,951,525	13,679,909	3,495,540	4,216,397	5,294,856	6,151,075
Common Stocks & Convertibles*	60,891,355	66,706,356	78,145,025	80,435,645	66,067,712	64,941,175
Total Portfolio Investments and Cash . . . . .	69,842,880	80,386,265	81,640,565	84,652,042	71,362,568	71,092,250
Investment in and advances to Subsidiary . . . . .	1,831,305	2,071,071	2,117,662	2,105,139	2,038,864	127,464
Total Net Assets . . . . .	<u>\$71,674,185</u>	<u>\$82,457,336</u>	<u>\$83,758,227</u>	<u>\$86,757,181</u>	<u>\$73,401,432</u>	<u>\$71,219,714</u>

## Capitalization —

### Senior Capital at Redemption

Prices: —

Class "A" Shares . . . . .	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110	\$ 1,567,110
Preferred Shares . . . . .	6,179,565	6,179,565	6,179,565	6,179,565	6,179,565	6,179,565
Total Senior Capital . . . . .	7,746,675	7,746,675	7,746,675	7,746,675	7,746,675	7,746,675
Class "B" Equity* . . . . .	63,927,510	74,710,661	76,011,552	79,010,506	65,654,757	63,473,039
	<u>\$71,674,185</u>	<u>\$82,457,336</u>	<u>\$83,758,227</u>	<u>\$86,757,181</u>	<u>\$73,401,432</u>	<u>\$71,219,714</u>

\*Percentage of Common Stocks  
& Convertibles to Class "B"

Equity — . . . . .	95.3%	89.3%	102.8%	101.8%	100.6%	102.3%
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## Distribution of Portfolio Investments

March 31	1975		1974	
	Market Value	Percentage	Market Value	Percentage
Cash, Short Term Notes, etc. — net . . . . .	\$ 5,570,367	7.98%	\$ 9,984,255	12.42%
Bullion . . . . .	3,381,158	4.84	3,695,654	4.60
Convertibles . . . . .	764,200	1.09	504,250	.63
Common Stocks . . . . .	60,127,155	86.09	66,202,106	82.35
Total Portfolio Investments and Cash . . . . .	<u>\$69,842,880</u>	<u>100.00%</u>	<u>\$80,386,265</u>	<u>100.00%</u>

Geographical distribution at March 31, 1975 was: Canada 92.31% — Foreign 7.69%

## RECORD OF ASSET VALUATIONS AND INCOME

(Class "B" Share figures have been adjusted to reflect subdivisions of 4 for 1 in April, 1953, and 3 for 1 in June, 1964)

Fiscal Period	Net Asset Value	Principal Amount of Bonds Outstanding	Net Equity for Class "A" & Pfd.	Class "A" & Pfd. Shares at redemption price (a)	Net Equity for Class "B"	Net Equity for Class "B" per share
1933 . . . . .	\$ 6,120,481	\$4,498,900	\$ 1,621,581	\$2,000,404	\$ 378,823(b)	<b>\$ 0.13(b)</b>
1935 . . . . .	9,378,287	4,498,900	4,879,387	2,161,079	2,718,308	<b>0.94</b>
1937 . . . . .	9,541,981	4,498,900	5,043,081	1,928,100	3,114,981	<b>1.08</b>
1939 . . . . .	9,843,775	3,705,400	6,138,375	1,588,050	4,550,325	<b>1.58</b>
1941 . . . . .	8,174,586	3,598,900	4,575,686	1,588,050	2,987,636	<b>1.03</b>
1943 . . . . .	9,746,273	3,000,000	6,746,273	1,579,800	5,166,473	<b>1.79</b>
1945 . . . . .	14,443,864	2,800,000	11,643,864	1,579,800	10,064,064	<b>3.49</b>
1947 . . . . .	13,668,485	2,600,000	11,068,485	1,579,800	9,488,685	<b>3.29</b>
1949 . . . . .	14,771,960	2,400,000	12,371,960	1,567,110	10,804,850	<b>3.75</b>
1951 . . . . .	20,391,615	2,200,000	18,191,615	1,567,110	16,624,505	<b>5.77</b>
1953 . . . . .	19,130,077	1,900,000	17,230,077	1,567,110	15,662,967	<b>5.44</b>
1955 . . . . .	29,014,916	1,700,000	27,314,916	1,567,110	25,747,806	<b>8.94</b>
1956 . . . . .	28,054,394	1,316,300	26,738,094	1,567,110	25,170,984	<b>8.74</b>
1957 . . . . .	24,446,536	878,900	23,567,636	1,567,110	22,000,526	<b>7.64</b>
1958 . . . . .	30,381,268	—	30,381,268	1,567,110	28,814,158	<b>10.01</b>
1959 . . . . .	38,196,704	—	38,196,704	3,975,810	34,220,894	<b>10.02</b>
1960 . . . . .	37,599,824	—	37,599,824	3,975,810	33,624,014	<b>9.85</b>
1961 . . . . .	44,351,503	—	44,351,503	3,975,810	40,375,693	<b>11.77</b>
1962 . . . . .	41,868,337	—	41,868,337	3,975,810	37,892,527	<b>11.01</b>
1963 . . . . .	52,320,937	—	52,320,937	7,746,675	44,574,262	<b>12.84</b>
1964 . . . . .	62,860,580	—	62,860,580	7,746,675	55,113,905	<b>15.87</b>
1965 . . . . .	66,117,062	—	66,117,062	7,746,675	58,370,387	<b>16.80</b>
1966 . . . . .	63,155,547	—	63,155,547	7,746,675	55,408,872	<b>15.94</b>
1967 . . . . .	74,756,817	—	74,756,817	7,746,675	67,010,142	<b>19.11</b>
1968 . . . . .	84,930,355	—	84,930,355	7,746,675	77,183,680	<b>21.98</b>
1969 . . . . .	78,768,892	—	78,768,892	7,746,675	71,022,217	<b>20.20</b>
1970 . . . . .	71,202,250	—	71,202,250	7,746,675	63,455,575	<b>18.05</b>
1971 . . . . .	73,401,432	—	73,401,432	7,746,675	65,654,757	<b>18.67</b>
1972 . . . . .	86,757,181	—	86,757,181	7,746,675	79,010,506	<b>22.47</b>
1973 . . . . .	83,758,227	—	83,758,227	7,746,675	76,011,552	<b>21.61</b>
1974 . . . . .	82,457,336	—	82,457,336	7,746,675	74,710,661	<b>21.23</b>
1975 . . . . .	71,674,185	—	71,674,185	7,746,675	63,927,510	<b>18.14</b>

(a) Including Class "A" dividend arrears of \$ 72,304 in 1933  
Including Class "A" dividend arrears of \$232,979 in 1935

(b) Denotes red figures.

(c) Class "A" dividends paid:

1933 . . . . .	\$ —
1935 . . . . .	.50
1937 . . . . .	4.125
1939 to date . . . . .	1.50 per year

(d) Does not include 534,393 Class "B" Shares issued December 23, 1959.

(e) Excluding dividends declared on Class "A" Shares in 1959 and on Preferred Shares in 1960 and 1963, in excess of their respective regular annual rates.

(f) Includes full annual dividends on Class "A" and Preferred Shares though only three quarterly dividends were declared.

(g) For the three months ending March 31, 1973.





Net Income for the year	Dividends on Class "A" and Pfd. Shares (c)	Net Income Available to Class "B" Shares	Net Income per share Class "B"	Dividends Declared per Class "B" share		
				Income	Capital	Total
\$ 72,510	\$ 72,304	\$ 206	\$ —	\$ —	\$ —	\$ —
83,252	96,405	13,153(b)	.005(b)	—	—	—
205,196	96,405	108,791	.038	—	—	—
139,462	80,978	58,484	.020	—	—	—
160,968	79,403	81,565	.028	.02	—	.02
156,727	78,990	77,737	.027	.025	—	.025
252,049	78,990	173,059	.060	.06	—	.06
417,965	78,990	338,975	.118	.11	—	.11
463,389	78,356	385,033	.134	.13	—	.13
656,437	78,355	578,082	.201	.20	—	.20
717,206	78,356	638,850	.222	.22	—	.22
810,692	78,355	732,337	.255	.25	—	.25
857,145	78,355	778,790	.271	.27	—	.27
912,771	78,355	834,416	.290	.27	—	.27
976,297	78,356	897,941	.312	.27	—	.27
978,793	78,355(e)	900,438(e)	.313(d)	.30	—	.30
1,308,461	198,790(e)	1,109,671(e)	.325	.30	—	.30
1,315,655	198,790	1,116,865	.326	.32	—	.32
1,340,004	198,790	1,141,214	.332	.32	—	.32
1,509,951	330,800(e)	1,179,151(e)	.340	.33	—	.33
1,726,160	378,356	1,347,804	.388	.37	—	.37
1,881,460	378,356	1,503,104	.433	.41	—	.41
1,961,783	378,356(f)	1,583,427	.455	.44	—	.44
2,118,885	378,356	1,740,529	.496	.46	—	.46
2,093,460	378,356	1,715,104	.488	.44	.28	.72
2,244,030	378,356	1,865,674	.530	.48	.34	.82
2,359,533	378,355	1,981,177	.563	.52	.36	.88
2,029,899	378,355	1,651,544	.470	.48	.42	.90
2,102,317	378,355	1,723,962	.490	.48	.25	.73
470,250(g)	95,850(g)	374,400(g)	.106(g)	.12(g)	.25(g)	.37(g)
2,374,441	378,355	1,996,086	.567	.52	—	.52
3,169,046	378,355	2,790,691	.793	.68	—	.68





# UNITED CORPORATIONS LIMITED

Report for the  
6 months ended  
September 30, 1975

*Canorb*



# UNITED CORPORATIONS LIMITED



## To the Shareholders

The stock market, which had recovered sharply during the first half of 1975 while the economy continued to decline, peaked in mid-July as the economic recovery got under way. The market weakness which developed during the balance of the third calendar quarter, the second of our fiscal year, reflected nervousness as to the rate of inflation and the pace and durability of the recovery. As you know from our last quarterly report, we have been expecting and, in fact, have expressed a preference for, a gradual and prolonged recovery as offering the best hope for overcoming the highly inflationary environment which was the principal cause of our difficulties. While it is still too early to assess the Government's recently announced restraining measures, it is at least encouraging that they show some recognition of the inflationary problem and a willingness to come to grips with it.

The rise in our net equity value per Class "B" Share reported for the first quarter of our fiscal year was more than offset by the decline which took place during the second quarter with the result that for the six months as a whole we showed a modest decline of 2.5%, from \$18.14 at the end of March to \$17.68 at the end of September.

Net income for the six month period was \$1,421,979 compared to \$1,417,107 for the same period last year. After provision for Class "A" and Preferred dividends, net income available for the Class "B" Shares was \$1,232,801 or 35¢ per share, practically unchanged from last year's figure of \$1,227,929. While it may not be possible to match last year's record figure of 79.3¢ per Class "B" Share for the year as a whole, there is every indication that we can expect another excellent year from the point of view of income.

At their October meeting your Directors declared a regular quarterly dividend of 16¢ per Class "B" Share. This was the third such dividend declared out of earnings for the current fiscal year and it brought total dividends to 48¢ per Class "B" Share for the year to date as against 44¢ per share for the same period last year.

Shareholders are reminded that, as is customary for interim reports, all figures in this report are unaudited.

October 24th, 1975.

J. V. EMORY,  
*President*



# UNITED CORPORATIONS LIMITED

## Statement of Net Income

Six Months Ended September 30

	1975	1974
<b>Income:—</b>		
Dividends .....	\$1,291,428	\$1,209,106
Interest .....	290,900	384,062
Net income from wholly-owned subsidiary .....	36,640	11,917
	<u>1,618,968</u>	<u>1,605,085</u>
<b>Expenses:—</b>		
Management expenses .....	97,500	82,000
Transfer, registrar, dividend paying agent's and custodian's fees .....	9,647	11,716
Directors' fees .....	14,350	12,400
Legal and audit .....	8,478	7,000
General .....	17,825	12,149
	<u>147,800</u>	<u>125,265</u>
Net income before income taxes .....	1,471,168	1,479,820
Provision for income taxes, including foreign taxes withheld .....	49,189	62,713
<b>Net Income</b> .....	<u>\$1,421,979</u>	<u>\$1,417,107</u>

## Statement of Changes in Net Assets

Six Months Ended September 30

	1975	1974
<b>Net assets at beginning of period</b> .....	\$71,674,185	\$82,457,336
Add (deduct) changes during the year —		
Net income .....	1,421,979	1,417,107
Net (loss) gain on securities sold .....	(280,763)	703,575
(Decrease) in unrealized appreciation in value of investments .....	(1,548,343)	(22,124,020)
Dividends .....	(1,316,369)	(1,103,721)
Reduction in refundable capital gains tax .....	73,505	76,872
<b>Net assets at end of period</b> .....	<u>\$70,024,194</u>	<u>\$61,427,149</u>
Deduct:		
Redemption value of Class "A" and First Preferred Shares .....	7,746,675	7,746,675
<b>Net assets, applicable to Class "B" shares</b> .....	<u>\$62,277,519</u>	<u>\$53,680,474</u>
Number of Class "B" shares outstanding at end of period .....	<u>3,522,473</u>	<u>3,517,473</u>

Per Class "B" Share

Net asset value at end of period .....	\$17.68	\$15.26
Net asset value at beginning of period .....	\$18.14	\$21.23
Distribution out of net income .....	32.0¢	26.0¢

## Statement of Net (Loss) Gain on Securities Sold

Six Months Ended September 30

	1975	1974
Proceeds from sales of securities .....	\$17,187,037	\$15,157,682
Investments at average cost at beginning of period	64,009,347	58,076,953
Cost of securities purchased .....	19,343,533	14,980,520
	<u>83,352,880</u>	<u>73,057,473</u>
Investments at average cost at end of period .....	65,885,080	58,603,366
Cost of securities sold .....	17,467,800	14,454,107
<b>Net (loss) gain on securities sold</b> .....	<u>\$ (280,763)</u>	<u>\$ 703,575</u>



<i>No. of Shares or Par Value</i>	<i>Cost</i>	<i>Market Value</i>	<i>% of Net Assets</i>
BANKS			
5,900 Bank of Montreal .....	99,533	100,300	
89,750 The Bank of Nova Scotia .....	3,633,523	4,016,312	
92,000 Canadian Imperial Bank of Commerce .....	1,575,173	2,472,500	
50,300 The Mercantile Bank of Canada ...	885,113	886,537	
140,000 The Royal Bank of Canada .....	2,993,545	4,690,000	
62,699 The Toronto-Dominion Bank .....	2,300,500	2,617,683	
	11,487,387	14,783,332	21.11
DISTILLING			
6,800 Hiram Walker-Gooderham & Worts Limited Class "A" .....	352,979	201,450	
11,700 The Seagram Company Ltd. ....	433,808	327,600	
	786,787	529,050	.75
BREWERS			
23,800 John Labatt Limited Class "A" .....	537,745	449,225	
21,500 The Molson Companies Limited Class "A" .....	554,632	405,812	
	1,092,377	855,037	1.22
CHEMICAL			
10,000 Canadian Industries Limited .....	209,109	216,250	
5,800 Union Carbide Canada Limited .....	113,677	116,000	
	322,786	332,250	.47
COMMUNICATIONS			
5,700 Quebecor Inc. ....	93,021	39,900	
69,000 Western Broadcasting Company Ltd. Class "A" .....	654,457	638,250	
	747,478	678,150	.96
CONSTRUCTION & MATERIALS			
42,300 Canada Cement Lafarge Ltd. ....	160,317	385,987	.55
FOOD PROCESSING			
60,000 Burns Foods Limited .....	837,032	555,000	.79
GENERAL MANUFACTURING			
100,000 Canadian Marconi Company .....	495,454	410,000	
10,000 H.T.L. Industries Limited 6 1/2% Conv. Pfd. Series "B" .....	250,000	82,500	
33,500 Sklar Manufacturing Limited .....	230,480	80,400	
	975,934	572,900	.81
ASBESTOS			
44,400 Asbestos Corporation Limited .....	940,429	865,800	1.24
COAL			
13,000 McIntyre Mines Limited .....	549,261	555,750	.79
COPPER			
68,100 Kerr Addison Mines Limited Class "A" .....	890,410	757,612	
7,500 Noranda Mines Limited Class A ....	268,376	254,062	
	1,158,786	1,011,674	1.44
NICKEL			
32,500 Great Lakes Nickel Limited .....	239,687	14,300	
52,322 Great Lakes Nickel Limited. Options	1,207	7,848	
37,500 The International Nickel Company of Canada, Limited Class A .....	1,255,864	965,625	
	1,496,758	987,773	1.41
URANIUM			
70,620 Rio Algom Mines Limited .....	2,192,528	2,189,220	3.13
ZINC			
22,500 Cominco Ltd. ....	695,717	750,938	1.07
SPECIALTY RETAILERS			
7,400 Canadian Tire Corporation, Limited Class A .....	353,233	340,400	.49
FOOD RETAILING			
85,350 Dominion Stores Limited .....	1,447,542	1,504,294	
25,000 Steinberg's Limited Class "A" .....	479,750	468,750	
	1,927,292	1,973,044	2.82
OIL & GAS			
85,000 Alberta Eastern Gas Limited .....	879,958	626,875	
5,600 Aquitaine Company of Canada Ltd. ..	108,601	110,600	
16,300 Dome Petroleum Limited .....	504,112	501,225	
12,000 Gulf Oil Canada Limited .....	278,266	342,000	
14,000 Home Oil Company Limited Class A .....	359,151	350,000	
7,500 Hudson's Bay Oil and Gas Company Limited .....	222,811	234,375	
39,000 Husky Oil Ltd. ....	1,071,692	736,125	
33,500 Imperial Oil Limited Class "A" .....	851,384	812,375	
15,500 The Louisiana Land and Exploration Company .....	435,889	391,375	
79,050 Pacific Petroleums Ltd. ....	1,796,111	1,966,369	
82,100 Shell Canada Limited Class "A" .....	1,071,853	1,293,075	
	7,579,828	7,364,394	10.52

<i>No. of Shares or Par Value</i>	<i>Cost</i>	<i>Market Value</i>	<i>% of Net Assets</i>
TRANSMISSION — GAS			
79,000 The Alberta Gas Trunk Line Company Limited Class "A" .....	754,424	869,000	
111,600 TransCanada PipeLines Limited ....	1,304,976	1,046,250	
76,372 Westcoast Transmission Company Limited .....	1,672,257	1,603,812	
	3,731,657	3,519,062	5.03
REAL ESTATE			
29,000 Alliance Building Corporation Limited	303,630	116,000	
29,000 Alliance Building — Rts. ....	—	14,500	
46,000 The Cadillac Fairview Corporation Limited .....	557,588	465,750	
28,000 S. B. McLaughlin Associates Limited	584,267	224,000	
49,900 Trizec Corporation Ltd. ....	805,386	773,450	
	2,250,871	1,593,700	2.28
STEEL			
19,800 The Algoma Steel Corporation, Limited .....	413,904	566,775	
30,150 Dominion Foundries and Steel, Limited Class A .....	779,557	772,594	
46,700 The Steel Company of Canada, Limited Class "A" .....	1,340,791	1,377,650	
	2,534,252	2,717,019	3.88
TRUST COMPANIES			
26,900 The Royal Trust Company Class "A"	651,656	524,550	.75
FINANCE COMPANIES			
70,000 Financial Collection Agencies Ltd. ...	838,530	101,500	.15
UTILITIES — ELECTRIC			
58,750 Calgary Power Ltd. Class A .....	1,371,512	1,483,438	2.12
UTILITIES — GAS			
72,900 The Consumers' Gas Company .....	1,216,446	856,575	
22,700 Northern and Central Gas Corporation Limited .....	256,394	204,300	
120,900 Union Gas Limited .....	924,581	861,413	
	2,397,421	1,922,288	2.75
UTILITIES — TELEPHONE			
80,142 Bell Canada .....	3,532,294	3,305,858	
67,500 British Columbia Telephone Company	667,561	658,125	
	4,199,855	3,963,983	5.66
TOBACCO			
14,700 Imasco Limited Class "A" .....	444,573	433,650	
30,100 Rothmans of Pall Mall Canada Limited 6 5/8% Conv. Second Pfd. (\$20 par) .....	430,770	421,400	
28,800 Rothmans of Pall Mall Canada Limited .....	433,088	388,800	
	1,308,431	1,243,850	1.78
BUSINESS FORMS			
37,500 Moore Corporation Limited .....	1,777,177	1,696,875	2.42
MISCELLANEOUS			
86,500 Consumers Glass Company Limited .	828,274	1,124,500	
8,000 Crown Life Insurance Company ....	358,185	472,000	
29,000 Genstar Limited .....	532,789	507,500	
30,000 W. W. Grainger Incorporated .....	741,520	746,700	
16,000 Great-West Life Assurance Company	1,015,356	828,000	
5,500 International Business Machines Corporation .....	1,084,098	1,061,445	
20,000 Okanagan Helicopters Limited .....	294,044	132,500	
25,000 Systems Dimensions Limited .....	273,417	98,750	
\$350,000 Systems Dimensions Limited 5% Conv. 1989 .....	410,000	210,000	
	5,537,683	5,181,395	7.40
GOLD			
8,500 Blyvooruitzicht Gold Mining Co. Ltd.	101,269	82,875	
6,600 Buffelsfontein Gold Mining Co. Ltd. .	241,119	128,700	
29,900 Camflo Mines Limited .....	455,904	313,950	
5,000 Campbell Red Lake Mines Limited ..	171,764	120,625	
58,755 Dome Mines Limited .....	2,025,688	2,262,068	
10,000 Doornfontein Gold Mining Co. Ltd. ...	147,300	96,250	
38,300 Pamour Porcupine Mines Limited ..	330,485	162,775	
12,600 Sigma Mines (Quebec) Limited .....	302,778	315,000	
4,000 Vaal Reefs Exploration & Mining Co. Ltd. ....	172,400	110,000	
Bullion — 16,056.849 ounces .....	2,033,398	2,329,300	
	5,982,105	5,921,543	8.46
TOTAL PORTFOLIO INVESTMENTS .....	\$65,885,080	\$64,599,902	92.25%
CASH AND OTHER ASSETS — NET .....	3,589,546	3,589,546	5.13
TOTAL PORTFOLIO INVESTMENTS AND CASH	\$69,474,626	\$68,189,448	97.38%
OTHER INVESTMENTS .....	1,994,746	1,834,746	2.62
NET ASSETS .....	\$71,469,372	\$70,024,194	100.00%